



Arnold Schwarzenegger  
Governor

October 6, 2010  
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Ms. Carol Sager, Director  
Office of Research and Sponsored Programs  
California State University, Chico, Bldg. 25  
Chico, CA 95929-0870

Dear Ms. Sager:

WORKFORCE INVESTMENT ACT  
15-PERCENT PROJECT REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2010-11

This is to inform you of the results of our review for Program Year (PY) 2010-11 of the California State University (CSU) Chico Research Foundation (Foundation) administration of its Workforce Investment Act (WIA) Distance Education/ Simulation Lab (Sim Lab) 15-Percent Project. This review was conducted by Ms. Shannon Gonzalez on August 25, 2010. For the program operations portion of the review, we focused primarily on the areas of program administration, participant eligibility, WIA activities, monitoring, if applicable, and management information system/reporting. For the financial management portion of the review, we focused primarily on the areas of accounting systems, expenditures, allowable costs, cost allocation, reporting, cost pools, indirect costs, cash management, internal controls, program and interest income, single audit, if applicable, and property management. For the procurement portion of the review, we focused on procurement competition, cost and price analyses, and contract provisions.

We conducted our review under the authority of Sections 667.400(c) and 667.410(b) (1)(2)(3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by the Foundation with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations, financial management and procurement.

We collected the information for this report through interviews with the Foundation's representatives. In addition, this report includes a review of the Foundation's response to Sections I and II of the Program On-Site Monitoring Guide; applicable policies and procedures; and a review of documentation retained by the Foundation for a sample of expenditures and procurements.

## **BACKGROUND**

The Foundation was awarded \$246,000 to operate a WIA Distance Education/ Sim Lab Project to serve from March 31, 2009 through September 30, 2010. For the period ending July 2010, the Foundation reported that it spent \$107,110.65.

## **PROGRAM REVIEW RESULTS**

We conclude that, overall, The Foundation is meeting applicable WIA requirements concerning grant program administration.

## **FINANCIAL MANAGEMENT REVIEW RESULTS**

We conclude that, overall, the Foundation is meeting applicable WIA requirements concerning financial management.

## **PROCUREMENT REVIEW RESULTS**

We conclude that, overall, the Foundation is meeting applicable WIA requirements concerning procurement.

We are issuing this report as the final report because this report contains no findings or concerns.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. As you know, it is the Foundation's responsibility to ensure that its systems, programs, and related activities comply with the WIA-related federal regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain the Foundation's responsibility.

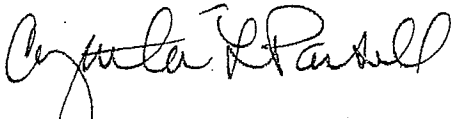
Ms. Carol Sager

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Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Cynthia Parsell at (916) 654-1292.

Sincerely,



for

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Katie Milo, Vice Provost for Research  
David Cannedy, MIC 50  
Denise Miller, MIC 50